

EX PARTE OR LATE FILED

DOCKET FILE COPY ORIGINAL

HOUSE OF REPRESENTATIVES, U.S.  
Washington, D.C.

August 10, 1993

Mr. James Quello  
Office of Congressional and Public Affairs  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

*MMB*  
*CATV-RATES*

*3247*

RECEIVED

AUG 20 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

*92-276*

The attached communication is submitted for your consideration, and to ask that the request made therein be complied with, if possible.

If you will advise me of your action in this matter and have the letter returned to me with your reply, I will appreciate it.

Very Truly yours,

**BUD SHUSTER**  
**MEMBER OF CONGRESS**

2188 Rayburn House Office Building  
Washington, DC 20515  
(202) 225-2431

EGS:jlg

No. of Copies rec'd  
List A B C D E

*1 copy*

\*-----\*  
\* C.P.S. CABLE VISION, INC. \*  
\* P.O. Box 336 \*  
\* Main and Filbert Streets \*  
\* Coalport, PA 16627 \*  
\* (814) 672-5393 \*  
\*-----\*

July 24, 1993

The Honorable William Clinger  
U.S. House of Representatives  
Washington, DC 20515

*JUL 30 1993*  
**RECEIVED**  
AUG 20 1993  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY  
**AUG 04 1993**

Dear Congressman Clinger:

Thank you for the precious time you allocated to me on July 20 when I was able to meet with you in your Washington office. I felt assured by that meeting that you and your staff are now better able to understand something that in the near future (Sept & Oct of 1993) will have both my customers and your constituents alarmed. This has to do with the FCC and the new rules and regulations dealing with the Cable Consumer Protection and Competition Act of 1992 (or as I know it the "Law of Unintended Consequences"). I have furnished the following information as a review of our discussion plus additional data that should be useful.

SYSTEM PROFILE:

1997 customers as of 6/30/93  
90+ miles of distribution plant  
Average customers per mile = 21  
Established in 1968  
5 Fulltime employees (this includes my wife and I)  
Eight franchises tied together from one location  
24 Channels of Basic Service at a price of \$15.95/mo.  
Each Additional Outlet costs \$1.65 per month.

MAJOR CONCERNS that I have with this act are as follows:

1) PRICE REGULATION BASED ON "AVERAGES." The new price regulation is based on "averages." This creates for customers who have additional outlets to see a reduction in their bill while those who have only one outlet of basic service to see an increase. A sizable portion of those who will see this increase are exactly those who least can afford it (the elderly, fixed-income, single parent, etc.)

2) AN ONEROUS BILL WITH SHORT TIME LINE. This act has been as onerous as any I have experienced in my more than 22 years of operating this system. The rate regulation itself was in excess of 500 pages, with the customer service and must-carry sections combined having over 200 pages. This added in with new technical regulations that have just been established within the last year have made it a living nightmare to try to operate a rural small cable system and still provide what I believe my customers consider very good service. At our meeting we stressed the need to have the FCC at least stick with the Oct. 1 deadline for rates but within the last few days I was informed that they succumbed to pressure. Again we and the FCC need more time in implementing these regulations.

3) ADMINISTRATIVE BURDEN NEEDS REDUCED FOR SMALLER SYSTEMS: The FCC has not done as directed by Congress in that it was to design the rules in such a way as to reduce the administrative burden of the rules on smaller operators! In fact they seem to ignore that right down to the way they even established the bench marks. From my understanding less than one percent of all systems with 40 or less customers per mile were used in their determination. My system average is 21 homes per mile and that is somewhat typical for Pennsylvania is one of the leading states with rural areas.

4) DENSITY OF A CABLE SYSTEM: The FCC has made no provision other than their limited scope of defining what a "small" cable system is (1000 or less subscribers per system). This system is indeed a small system as you can see by my system's profile above. Furthermore small systems by definition have fewer subscribers across which to spread common costs and since these systems have fewer subscribers per mile than the larger systems it is much more difficult to absorb the costs of distribution facilities. Not surprisingly, therefore, small systems have tended to operate either at a loss or at a very small margin of profitability.

5) CHANNEL ADDITIONS NOT PRACTICAL. The FCC made no provision for us to add channels economically. The insignificant amount that is allotted to increase channels does not give any merit to the programmer costs let alone the cost of equipment to add those channels.

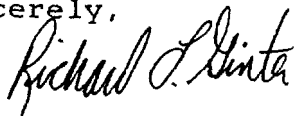
6) RURAL EXTENSIONS ARE CURTAILED. The FCC has made no provisions on extending to customers further than standard pricing will allow. In other words I must build my system to a potential customer but I can only do it for my standard fee no matter how far removed that customer is. Even if the customer agrees to bear some of the extra cost we can not agree to this.

7) FREE TV IS NOT FREE TV. Retransmission rights given to the broadcasters may cause me to drop their channel if they request monetary remuneration for the FCC does not authorize me to pass on the first years cost.

8) LARGE DISPARITY IN REFERENCE TO BENCHMARKS. The bench marks create a great disparity between those systems whose rates were high and they are only required to come down to the bench mark or 10% whichever is less or those system like mine that are somewhat below the benchmark and under the current rules not able to adjust upward toward the benchmark. This forces us to be capped at an unfair level way below what the FCC has deemed as reasonable.

9) ENDORSE LETTER THAT SMALL SYSTEMS SENT TO QUELLO. I hope you were able to endorse the letter to Acting FCC Chairman Quello as we had submitted to your on July 20.

Sincerely,



Richard L. Ginter  
President